

## Medicare Prescription Drug Benefit: Republican v. Democratic Proposals

Plan Element	Republican Proposal	Democratic Proposal
<b>Guaranteed Minimum Benefit</b>	<u>NO</u> Beneficiaries must obtain coverage through private insurers, who may not participate and can offer vastly different benefits and premiums.	<u>YES</u> Medicare covers prescription drugs like other Medicare benefits, with guaranteed benefits, premiums, and cost sharing for all beneficiaries.
<b>Guaranteed Fair Drug Prices</b>	<u>NO</u> Private insurers negotiate separately on behalf of subsets of the Medicare population, diminishing the program's group negotiating power.	<u>YES</u> The Secretary of HHS uses the collective bargaining clout of all 40 million Medicare beneficiaries to negotiate fair drug prices. These reduced prices will be passed on to beneficiaries.
<b>Premium</b>	Not specified. It is estimated to be: \$35/month \$420/year <sup>1</sup>	Specified in statute. \$25/month \$300/year
<b>Deductible</b>	\$250/year <sup>1</sup>	\$100/year
<b>Co-insurance</b>	20% for first \$1,000 50% for next \$1,000 100% for all remaining spending up to the out-of-pocket maximum <sup>1</sup>	20%
<b>Out-of-Pocket Maximum</b>	\$3,800/year <sup>1</sup>	\$2,000/year
<b>Coverage Gaps</b>	<u>YES</u> Beneficiaries who need more than \$2,000 worth of drugs must pay 100% out-of-pocket (and keep paying premiums) until they reach the \$3,800 out-of-pocket cap.	<u>NO</u> Beneficiaries always have coverage, with no gaps.
<b>Access to Local Pharmacies</b>	<u>LIMITED</u> Private plans can limit which pharmacies participate in their network.	<u>BROAD</u> Any willing pharmacy must be included in the network.
<b>Access to Prescribed Medicines</b>	<u>LIMITED</u> Private insurers can establish strict formularies and deny any coverage for off-formulary drugs.	<u>BROAD</u> Beneficiaries have coverage for any drug their doctor prescribes.
<b>Low-Income Protections</b>	<u>WEAK</u> Low-income beneficiaries may have to pay \$2 or \$5 co-pays and 100% of costs in the coverage gap. Drugs may be denied if the beneficiary can't afford this cost sharing.	<u>STRONG</u> No cost sharing or premiums up to 150% of poverty; sliding scale premiums phased in between 150% and 175% of poverty.

<sup>1</sup> Cost sharing amounts shown are benchmarks only. Actual cost sharing amounts will vary depending on the private plan the beneficiary chooses (assuming one is available).